

Military Service And Social Security

The earnings of people who serve in military services on active duty or on active duty for training have been covered under Social Security since 1957. Inactive duty service in the armed forces reserves (such as weekend drills) has been covered by Social Security since 1988. However, people who served in the military before 1957 did not pay into Social Security directly, but their records are credited with special earnings for Social Security purposes that count toward any benefits that might be payable. Additional earnings credits are given to military personnel depending on when they served. This factsheet explains how and when these special earnings are credited and provides other general information military personnel need to know about the benefits available from Social Security.

Paying Social Security And Medicare Taxes

While you're in military service (from 1957 on), you pay Social Security taxes the same way civilian employees do. Those taxes are deducted from your pay and an equal amount is paid by the U.S. government as your employer. In 2000, the tax rate is 7.65 percent up to a maximum of \$76,200. If you earn more than that, you continue to pay the Medicare portion of the tax, 1.45 percent, on the rest of your earnings.

How You Earn "Credits"

You earn Social Security credits when you work in a job in which you pay Social Security taxes. Before any benefits can be paid on your record you must have credit for a certain amount of work covered by Social Security. In 2000, you earn four credits (the maximum) if your annual earnings are \$3,120 or more. (You can earn one credit for each \$780.) The amount needed for each credit will increase in future years to reflect increases in average wages. The number of credits you need to qualify for Social Security depends on your age and the type of benefit you might be eligible for. Nobody needs more than 40 credits (10 years of work or military service) to be eligible for Social Security.

When Additional Earnings Are Added To Your Military Records

The amount you get from Social Security depends on your earnings averaged over much of your working lifetime. Generally, the higher your earnings, the higher your Social Security benefit.

Under certain circumstances, special earnings can be credited to your military pay record for Social Security purposes. The extra earnings credits are granted for periods of active duty or active duty for training. These extra earnings may help you qualify for Social Security or increase the amount of your Social Security benefit. (Social Security cannot add extra earnings credits to your earnings record until you file for Social Security benefits.)

Here's when the additional earnings are granted:

Service In 1978 And Later

For every \$300 in active duty basic pay, you are credited with an additional \$100 in earnings up to a maximum of \$1,200 a year. If you enlisted after Sept. 7, 1980, and didn't complete at least 24 months of active duty or your full tour, you may not be able to receive the additional earnings. Check with Social Security for details.

Service In 1957 Through 1977

You are credited with \$300 in additional earnings for each calendar quarter in which you received active duty basic pay.

Service In 1940 Through 1956

If you were in the military during this period, including attendance at a service academy, you did not pay Social Security taxes. However, your Social Security record may be credited with \$160 a month in earnings for military service from Sept. 16, 1940, through Dec. 31, 1956, under the following circumstances:

- you were honorably discharged after 90 or more days of service, or you were released because of a disability or injury received in the line of duty; or

- you are still on active duty; or
- you are applying for survivors benefits and the veteran died while on active duty.

You cannot receive these special earnings credits if you're already receiving a federal benefit based on the same years of service. But there is one exception to this rule: if you were on active duty after 1956, you can still get the special earnings for 1951 through 1956, even if you're receiving a military retirement based on service during that period.

When You Apply For Benefits

There are other kinds of benefits available from Social Security besides those for retirement and disability. Members of your family and your dependents can receive survivors benefits if you should die. There's also Medicare coverage and Supplemental Security Income (SSI) payments. For more information about these benefits, ask Social Security for a copy of the booklet, *Understanding The Benefits* (Publication No. 05-10024).

When you apply for Social Security benefits, you'll be asked for proof of your military service (DD Form 214) or information regarding your reserves or National Guard service.

If You Get Both Social Security And Military Retirement

You can get both Social Security benefits and military retirement benefits. Generally, there is no offset of Social Security benefits because of your military retirement benefits. You'll get your full Social Security benefit based on your earnings. However, your Social Security benefit may be reduced if you also receive a government pension based on a job in which you didn't pay Social Security taxes.

Ask Social Security for a copy of the factsheet, *A Pension From Work Not Covered By Social Security* (Publication No. 05-10045).

Social Security survivors benefits may affect benefits payable under the optional Department of Defense Survivors Benefit Plan. Check with the Department of Defense or your military retirement advisor for more information.

If Your Child Gets SSI

SSI pays monthly benefits to people with low incomes and limited assets who are age 65 or older or blind or disabled. If you have a child who gets SSI, those payments may continue if you're stationed outside the United States (including Puerto Rico and U.S. territories and possessions) while in military service and the child lives with you. Your child must have received SSI the month before you reported for duty.

When You Become Eligible For Medicare

If you have health care protection from the Department of Veterans Affairs (VA) or under the CHAMPUS or CHAMPVA program, your health benefits may change or end when you become eligible for Medicare. You should contact the VA, the Department of Defense or a military health benefits advisor for more information.

For More Information

Check our website at www.ssa.gov for answers to many of the questions you may have about Social Security. You also may call us toll-free at **1-800-772-1213**. We can answer specific questions by phone from 7 a.m. until 7 p.m. on business days and provide information by automated phone service 24 hours a day. If you are deaf or hard of hearing, you may call our TTY number, 1-800-325-0778 between 7 a.m. and 7 p.m. on business days.

We treat all calls confidentially—whether they're made to our toll-free numbers or to one of our local offices. We also want to ensure that you receive accurate and courteous service. That is why we have a second Social Security representative monitor some incoming and outgoing telephone calls.

Social Security Administration

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